

2nd Draft
MDG/baw
5/31/55

ACCOUNTING PROCEDURE FOR CONTROL OF PROPERTY

1. The financial control of project or activity costs will be based on the amount of budgets approved by the approving authority.
2. The allotments issued by the Budget Division to the Operating Components for projects and activities will be based on the amount of the approved budget for the total requirements for cash and property. A copy of these allotments will be forwarded to the Finance Division.
3. The allottee and the Finance Division will maintain one allotment control for each project or activity. The allottee will be responsible for ensuring that funds and property are not obligated in excess of the amount of the allotment.
4. At the beginning of each fiscal year, the Budget Division will make an allotment to the Logistics Office property revolving fund in an amount equal to the estimated requirements for the purchase of property for 60-90 days. This allotment will be recorded by the Fiscal Division as at present by a charge to Account 505, "Appropriations Available for Allotment" and a credit to Account 135, "Disbursing Officer's Cash Available to Finance Division". Concurrently the Fiscal Division will also record a debit to new Account 506, "Reimbursement Allotments for Property Revolving Fund" and a credit to Account 505 in the amount of the advance allotment. This allotment will represent the working capital for the property revolving fund.
5. The allotments issued by the Budget Division to the Operating Component based on the project or activity total approved budget will be recorded by the

Fiscal Division by charging Account 505 "Appropriations Available for Allotment" and Account 135 "Disbursing Officer's Cash Available to Finance Division".

6. The allottee will maintain one allotment control record for each project or activity by fiscal years on Form No. 59-106, "Allotment Control Record". This form will be revised to provide two additional columns for the recording of requisitions for property and property issues. One column headed, "Property Requisitioned from Logistics Office" will be used for recording the estimated cost of property requisitioned at the time the requisition is issued. The other column headed, "Property Issued by Logistics Office" will be used for recording the cost of property issued by the Logistics Office. When requisitions are issued by the Operating Component, the estimated cost of the property will be recorded in the column "Property Requisitioned from Logistics Office" with a reduction in the amount of the allotment recorded in the "Unobligated Balance of Allotment" column. When property is issued, the cost of the property will be recorded in the column, "Property Issued by Logistics Office". If the cost of property is different from the cost estimated at the time of requisition, the amount of the difference will be recorded in the "Property Requisitioned from Logistics Office" column with appropriate adjustment recorded in the "Unobligated Balance of Allotment" column. All cash obligations will be entered on the "Allotment Control Record" as prescribed by the present allotment control procedure.

7. The Monthly Obligations Memorandum Report which the allottee makes to the Finance Division at the end of each month will be revised by adding a column for reporting the cumulative amount of property requisitions from the Logistics Office as recorded in the allotment control record.

8. When the Finance Division receives advices of allotments issued by the Budget Division, they will be recorded as at present by debit to Account 135, "Disbursing Officer's Cash Available to Finance Division" and credit to Account 510, "Unobligated Allotments".

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9. The Finance Division will record the cumulative total of requisitions for property reported by the allottees in the Monthly Obligations Memorandum Report by charging Account 510, "Unobligated Allotments" and crediting new Account 521, "Requisitions Issued for Property." The detail for Account 521 will be maintained on tabulating cards in the same manner as present Account No. 520, "Unliquidated Obligations."
10. At the end of each month the Finance Division will, based upon the total amount of property issued by the Logistics Office, record the cost of property issued as at present by a charge to Account 600.2, "Current Costs - Property Issued" and a credit to Account 170, "Stores - Supplies and Equipment." Concurrently the Finance Division will make an entry in the same amount as a charge to new Account 521, "Requisitions Issued for Property," and as a credit to new Account 532, "Property Allotment Reimbursement" to reflect the amount of allotments available for reimbursement to the property revolving fund of the Logistics Office.
11. The Finance Division at the close of each month will charge Account 532, "Property Allotment Reimbursement," and credit Account 135, "Disbursing Officer's Cash Available to Finance Division" in order to transfer to the Fiscal Division the amount available for re-allotment based upon property issues.
12. At the close of each month upon receipt of advice from the Finance Division of the total amount of property issues during the month, the Fiscal Division will record this amount as a charge to Account 135, "Disbursing Officer's Cash Available to Finance Division" and a credit to new Account 506, "Reimbursement Allotments for Property Revolving Fund".
13. When the Budget Division, based on a request from the Logistics Office, issues an increase in the allotment for procurement of property, the Fiscal Division will record the allotment in the usual manner through Accounts 505 and

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135 and will also make an entry in the same account by charging new Account 506, "Reimbursement Allotments for Property Revolving Fund" and crediting Account 505, "Appropriations Available for Allotment". The Finance Division will record these allotment increases by charging Account 135, "Disbursing Officer's Cash Available to Finance Division" and crediting Account 510, "Unobligated Allotments."

14. Obligations, expenditures and property acquired under allotments made to the property revolving fund will be recorded in the same manner as such transactions are now being recorded.

15. The monthly allotment status report of the Finance Division will be revised to show in a separate column cumulative property requisitions as a reduction of the unobligated balance of the allotment for each project or activity, which will correspond with the allotment control records of the allottees. The detail expenditure listing supporting the monthly allotment status report will indicate property issues under a distinguishing object code to provide allottees with a basis for identifying the property issues.

16. The monthly cost reports of the Finance Division for Account 600.2, "Current Costs - Property Issues" will show the charges to this account in detail and each charge will be identified by requisition number and fiscal year.

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Journal Entries - Fiscal Division

- | | | | |
|----|--|------------|------------|
| 1. | 101 Appropriated Funds Available for Withdrawal | \$ 100,000 | |
| | 505 Appropriations Available for Allotment | | \$ 100,000 |
| | To record appropriations available for allotment | | |
| 2. | 505 Appropriations Available for Allotment | 50,000 | |
| | 135 Disbursing Officer's Cash Available to Finance Division | | 50,000 |
| | To record allotments made to projects and activities | | |
| 3. | 505 Appropriations Available for Allotment | 25,000 | |
| | 135 Disbursing Officer's Cash Available to Finance Division | | 25,000 |
| | To record advance allotment to property revolving fund | | |
| 4. | 506 Reimbursement Allotments for Property Revolving Fund | 24,000 | |
| | 505 Appropriations Available for Allotment | | 25,000 |
| | To record the advance allotment to property revolving fund | | |
| | in new Account 506 which will be reimbursed when property is issued | | |
| 5. | 135 Disbursing Officer's Cash Available to Finance Division | 10,000 | |
| | 506 Reimbursement Allotments to Property Revolving Fund | | 10,000 |
| | To record the monthly transfer from the Finance Division of the amount available for reimbursement to the property revolving fund. | | |

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Fiscal Division Accounts

101 Appropriated Funds Available for Withdrawal

(1)	\$100,000
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505 Appropriations Available for Allotment

(2)	\$ 50,000	(1)	\$100,000
(3)	25,000	(4)	25,000

135 Disbursing Officer's Cash Available to Finance Division

(5)	\$ 10,000	(2)	\$ 50,000
		(3)	25,000

506 Reimbursement Allotments for Property Revolving Fund

(4)	\$ 25,000	(5)	\$ 10,000
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Journal Entries -
Finance Division

- | | | | |
|----|--|-----------|-----------|
| 1. | 135 Disbursing Officer's Cash Available to
Finance Division | \$ 75,000 | \$ 75,000 |
| | 510 Unobligated Allotments | | |
| | To record allotments issued by Budget Division | | |
| 2. | 510 Unobligated Allotments | 20,000 | 20,000 |
| | 521 Requisitions Issued for Property | | |
| | To record the cumulative amount of requisitions
for property issued by allottees as reported on
the monthly obligations memorandum reports in
new Account 521 | | |
| 3. | 600.2 Current Costs - Property Issues | 10,000 | 10,000 |
| | 170 Stores - Supplies and Equipment | | |
| | To record issues of property in current costs account
based on the Logistics Office monthly report of
property issued | | |
| 4. | 521 Requisitions Issued for Property | 10,000 | 10,000 |
| | 532 Property Allotment Reimbursement | | |
| | To record concurrently with entry number 3 the
transfer from Account 521 to Account 532 the
amount of property charged to current costs. | | |
| 5. | 532 Property Allotment Reimbursement | 10,000 | 10,000 |
| | 135 Disbursing Officer's Cash Available to
Finance Division | | |
| | To record monthly the transfer to the Fiscal Division
of the balance in Account 532. This amount is
available for reimbursement to the property revolving
fund. | | |

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(1)	\$ 75,000	(5)	\$10,000
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510 Unobligated Allotments

(2)	\$ 20,000	(1)	\$ 75,000
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521 Requisitions Issued for Property

(4)	\$ 10,000	(2)	\$ 20,000
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532 Property Allotment Reimbursement

(5)	\$ 10,000	(4)	\$ 10,000
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600.2 Current Costs - Property Issues

(3)	\$ 10,000
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170 Stores - Supplies and Equipment

(3)	\$ 10,000
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Allotment Control Record

Project		PODO	Allotment Account 3700/6 Fiscal Year 1956			
Allotment Received	Obligations Incurred	Expenditures	Property Requisitioned From Logistics Office	Property Issued by Logistics Office	Unobligated Balance of Allotment	
\$1,000	200	200			\$1,000	
					800	
			100		800	
			300		700	
			(10)		400	
				90	410	
				300	410	
Total cumulative to date	200		390			
			Col. (a)	Col. (b)		

This record corresponds to the form now used except for the addition of columns (a) and (b) above.

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Summary Obligations Memorandum Report	S.O.M. No. 1
	Period Ended 31 July 1956

TO : Finance Division, Accounts Branch

FROM: (Office or Division submitting S.O.M.)

Allotment Symbol	Crypto	Total Cumulative (Cash) Obligations to date	Total Cumulative Property Requisitions Issued to Logistics Office to date
3700/6	25X1A [REDACTED]	\$ 200	\$ 390

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